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INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Joan W. Brantner)
Buchanan Production Company)
Harrison Wyatt, LLC)
Frances W. Johnson)
Jerry and Phyllis Raines)
Elmer Reedy)
Dorothy Sodolski)

RELIEF SOUGHT: Issuance of an Amended Supplemental) DOCKET NO.
Order Amending Prior Orders Affecting) 92-0721-0236-01
Drilling Unit T-15 Located in) (As modified and
Buchanan County, VA) supplemented by
(herein "Subject Drilling Unit" to Provide:) Docket Nos.
(1) Calculation of Funds Unit Operator) 92-1215-0306 and
Deposited into the Escrow Account for) 94-0920-0469
Subject Drilling Unit by Tract Subaccounts;)
(2) to Applicants, a Royalty Accounting; and)
(3) Disbursement to Applicants)
in Accordance with Their Ownership)
Interests Those Funds Deposited by the)
Unit Operator into Subject Drilling Unit's)
Escrow Subaccount for VGOB Tracts 1,)
2, and 3.)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came on for final hearings before the Virginia Gas and Oil Board (herein "Board") on December 14, 2004 and February 15, 2005 at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, VA.
2. **Appearances:** Peter Glubiak, Esq. Appeared for applicants Jerry and Phyllis Raines; Mark Swartz, Esq. appeared for applicants Charles and Joan Brantner, Frances Reedy, Elmer Reedy, Dorothy Sodolski, Wyatt Ratliff, LLC and Buchanan Production Company.
3. **Jurisdiction and Notice:** Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract subaccounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract subaccounts. The Board finds that: (1) while it does not have jurisdiction to resolve

conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it does not have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, the Board does have jurisdiction and authority to disburse funds from the Escrow Account provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tract in question or any undivided interest therein.

4. **Prior Proceedings:**

4.1. On August 24, 1992, the Board executed under Docket Number 92-0721-0236 its order pooling all interests, including those conflicting interests in Tracts 1 and 2, in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code §§ 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on August 31, 1992 in Deed Book 394 at Page 193. An order modifying the original pooling order with respect to Tract 1 was filed under Docket number 92-1215-306, executed on February 12, 1993, and recorded in Deed Book 405, Page 118 on February 24, 1993, and supplemented by the Board's Supplemental Order Regarding Elections ("Supplemental Order") that was executed on July 21, 1993 and filed with the court on July 29, 1993 in Deed Book 412 at page 98 (hereafter the Pooling Orders and the Supplemental Order are collectively referred to as the "Pooling Orders"). All escrowed funds were submitted to the Escrow Agent under Docket Number 92-1215-0306. On November 28, 1994, the Board executed under Docket Number 94-0920-0469 its order further modifying the Pooling Order with regard to Tracts 2 and 3 that was recorded with the Clerk in Deed Book 430 at page 578 on December 13, 1994 and supplemented by the Board's Supplemental Order Regarding Elections executed on April 18, 1995 that was filed with the Clerk's Office on April 26, 1995 in Deed Book 435 at page 304 ("Supplemental Order") (hereafter the Pooling Orders and the Supplemental Orders are collectively referred to as the "Pooling Orders"). On June 17, 2003, The Board executed an order without docket number amending all prior pooling orders that named Buchanan Production Company, Pocahontas Gas Partnership, Island Creek Coal Company or Consol Energy, Inc. as unit operator, and designated CNX Gas Company, LLC as operator. In Buchanan County, the amendment order was recorded with the Buchanan County Clerk in Deed Book 585, Page 65.

4.2. Pooling Orders indicate that oil and gas interests in Tract 1 were owned by Jerry and Phyllis Raines or Thurmon and Elma Owens. Sworn testimony and evidence presented to the Board showed that Tract 1 has been in the sole possession of Jerry and Phyllis Raines since 1972, and that Thurman and Elma Owens have no claim to the property.

4.3. Pooling Orders Indicate that oil and gas interests in Tract 2 was owned by unknown heirs of W. H. Reedy. Sworn testimony and a Supplemental Affidavit of CNX Gas Company, LLC, a copy of which is attached to and made a part of this order, state that heirs of W. H. Reedy have been identified subsequent to execution of Pooling Orders, and that those identified heirs include Applicants Frances. W. Johnson, Joan W. Brantner, Elmer Reedy and Dorothy Sodolski.

4.4. To the extent claims to the Gas were in conflict, pursuant to Va. Code § 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders under Docket Number 92-1215-0306 (herein "Escrow Account"). According to the Pooling Orders, coalbed methane claims of oil and gas fee owners Jerry and Phyllis Raines and coal fee owners Harrison Wyatt, LLC in a 7.41-acre tract known as VGOB Tract 1, and oil and gas fee owners Charles and Joan Brantner, Frances Johnson, Elmer Reedy Dorothy Sodolski, Buchanan Production Company

and others and coal owner Harrison Wyatt, LLC in a 2.44-acre tract known as VGOB Tract 2, and oil and gas fee owner Buchanan Production Company and others and coal owner Harrison Wyatt, LLC in a 1.46-acre tract known as VGOB Tract 3 were in conflict and became subject to the escrow requirements of the Pooling Order.

- 4.5. With regard to VGOB Tract 1, the Applicant's Affidavit Regarding Supplemental Order and Disbursement of Escrowed Funds dated December 17, 2004, a copy of which is attached to and made a part hereof, states under oath that Applicants Jerry and Phyllis Raines were parties to a Motion for Judgment filed on August 14, 2000 in the Circuit Court of Buchanan County, Virginia Styled DONALD RATLIFF, et al v. HARRISON-WYATT, LLC, Case Number: CL187-00; that the Court ruled in favor of plaintiffs; that the Decision was appealed to the Virginia Supreme Court; and that the Supreme Court, in final non-appealable order, affirmed the Circuit Court opinion.
- 4.6. By the Unit Operator's Miscellaneous Petition regarding VGOB Tracts 2 and 3 dated October 19, 2004, a copy of which is attached to and made a part hereof, and by sworn testimony before the Board on December 14, 2004, the Unit Operator testified that VGOB Tract 2 and the interests of Charles and Joan Brantner, Frances Johnson, Elmer Reedy Dorothy Sodolski Buchanan Production Company and Harrison-Wyatt, LLC, and Tract 3 and the interests of Buchanan Production Company and Harrison-Wyatt, LLC are subject to a royalty split agreement and that by terms of the agreement, escrow regarding the conflicting claims of said parties is no longer required.
- 4.7. With regard to VGOB Tract 1, Petitioners gave notice to Harrison-Wyatt, LLC and CNX Energy Company, LLC that the Board would take the petition referred to in Paragraph 4.3 above under consideration at its hearing; with regard to VGOB Tract 2, petitioners gave notice to Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski, Buchanan Production Company and Harrison-Wyatt, LLC; with regard to VGOB Tract 3, petitioners gave notice to Buchanan Production Company and Harrison-Wyatt, LLC that the Board would take the petition referred to in Paragraph 4.3 above under consideration at its hearing. Notice stated that the Board would consider whether to: (1) amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 1 and the interests of Jerry and Phyllis Raines, Tract 2 and the interests of Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski, Buchanan Production Company and Harrison-Wyatt, LLC, Tract 3 and the interests of Buchanan Production Company and Harrison-Wyatt, LLC, (2) delete the requirement that the Unit Operator place future royalties attributable to the above-named parties in Tracts 1, 2, and 3 in the Escrow Account, and (3) continue the escrow account under this docket number because parties other than those seeking disbursement under this order are subject to escrow.
- 4.8. The Unit Operator filed the attached accountings for Subject Drilling Unit's Escrow Account with the Board ("Accountings").

5. **Findings:**

- 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tract in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for

the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

5.2 With regard to VGOB Tract 1, Applicant has certified and represented to the Board that:

- (1) Jerry and Phyllis Raines are the owners of 100% of oil and gas estate underlying VGOB Tract 1 of the Subject Drilling Unit;
- (2) Jerry and Phyllis Raines are prevailing Plaintiffs in Case Number CL187-00 described in the attached affidavit and in Paragraph 4.5, above,
- (3) Tract 1 of unit T-15 is subject to that decision which awards Plaintiffs 100% of all bonuses and/or royalties, if any, deposited by the Unit Operator in the Escrow Account which are attributable to said tract.

5.3. With regard to VGOB Tract 2, Petitioner has certified and represented to the Board that:

- (1) Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski and Buchanan Production Company are fee owners of oil and gas rights in a portion of Tract 2, and Harrison-Wyatt, LLC is fee owner of coal rights in Tract 2.
- (2) Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski and Buchanan Production Company, and Harrison-Wyatt, LLC have entered into a royalty split agreement specifying that escrowed funds attributable to their conflicting interests are to be divided with 50% going to the gas owner and 50% going to the coal owner, and also specifying that future royalties be paid directly to the owners according to the split agreement.

5.4. With regard to VGOB Tract 3, Petitioner has certified and represented to the Board that:

- (3) Buchanan Production Company is fee owner of oil and gas rights in a portion of Tract 3, and Harrison-Wyatt, LLC is fee owner of coal rights in Tract 3.
- (4) Buchanan Production Company and Harrison-Wyatt, LLC have entered into a royalty split agreement specifying that escrowed funds attributable to their conflicting interests are to be divided with 50% going to the gas owner and 50% going to the coal owner, and also specifying that future royalties be paid directly to the owners according to the split agreement.

6. **Relief Granted:**

For the reasons set forth in Paragraphs 4 and 5 above, and based upon the Accounting, the Escrow Agent is ordered to, within 10 days of receipt of this executed order:

- (1) Disburse one hundred percent (100%) of the funds attributable to VGOB Tract 1, being 24.2871 percent of funds on deposit in the escrow sub-account on the date of disbursement, to:
Peter Glubiak Law Offices, Jerry and Phyllis Raines
C/O Glubiak Law Office
P. O. Box 144
Aylett, VA 23009
- (2) Disburse funds attributable to the conflicting interests of Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski and Buchanan Production Company, and Harrison-Wyatt, LLC in VGOB Tract 2 as follows: 0.556% of funds attributable to Tract 2, being 0.0444% of funds on deposit in the escrow sub-account on the date of disbursement to:

Charles and Joan Brantner
108 Laurel Ave.
Thurmont, MD 21788

0.556% of funds attributable to Tract 2, being 0.0444% of funds on deposit in the escrow sub-account on the date of disbursement to:

Frances Johnson
308 Dodson Dr.
Rising Sun, MD 21911

2.50% of funds attributable to Tract 2, being 0.1999% of funds in the escrow sub-account on the date of disbursement to:

Elmer Reedy
1470 Clayton St.
Perryville, MD 21903

2.50% of funds attributable to Tract 2, being 0.1999% of funds in the escrow sub-account on the date of disbursement to:

Dorothy Sodolski
1309 Independence Dr.
Orange Park, FL 32065

0.556% of funds attributable to Tract 2, being 0.0444% of funds in the escrow account on the date of disbursement to:

Buchanan Production Co.
P. O. Box 947
Bluefield, VA 24605

6.668% of attributable funds, being 0.5330% of funds in the escrow sub-account on the date of disbursement to:

Harrison-Wyatt, LLC
C/O Wyatt Buick Pontiac, Inc.
P. O. Box 11000
Danville, VA 24543

- (3) Disburse funds attributable to the conflicting interests of Buchanan Production Company, and Harrison-Wyatt, LLC in VGOB Tract 3 as follows: 1.282% of funds attributable to Tract 3, being 0.0614% of funds on deposit in the escrow sub-account on the date of disbursement to:

Buchanan Production Co.
P. O. Box 947
Bluefield, VA 24605

1.282% of funds attributable to Tract 3, being 0.0614% of funds on deposit in the escrow sub-account on the date of disbursement to:

Harrison-Wyatt, LLC
C/O Wyatt Buick Pontiac, Inc.
P. O. Box 11000
Danville, VA 24543

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted in toto and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of Jerry and Phyllis Raines and Big Axe Land Company (Harrison-Wyatt, LLC) in Tract 1, Charles and Joan Brantner, Frances Johnson, Elmer Reedy, Dorothy Sodolski and Buchanan Production Company and Big Ax Land Company (Harrison-Wyatt, LLC) in Tract 2, and Buchanan Production Company and Big Ax Land Company (Harrison-Wyatt, LLC) in Tract 3 be deposited by the Unit Operator into the Escrow Account, and, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

7. **Conclusion:**

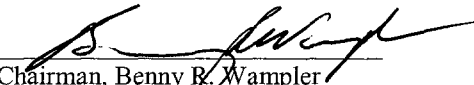
Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

8. **Appeals:**


Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 13th day of October, 2005, by a majority of the Virginia Gas and Oil Board.

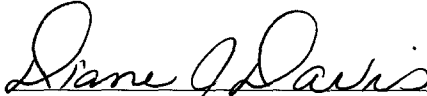

Chairman, Benny R. Wampler

DONE AND PERFORMED this 13th day of October, 2005, by an Order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF ~~WISE~~)
Washington

Acknowledged on this 13th day of October, 2005, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My Commission expires: 9/30/09

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 13th day of October, 2005, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: 9/30/09

Tract-by-Tract Escrow Calculation
Account Balances as of 9/30/04

Unit T-15 (30.51 acres escrowed)

Owners	Tract #	Acres	Total Tract Percent of Escrow	Owners' Percent of Escrow (50%)	Amount Due Owners \$10,573.34
Harrison-Wyatt, LLC - Coal	1	7.41	24.2871%	12.1436%	\$1,283.98
Jerry Raines - O&G				12.1436%	\$1,283.98
Harrison-Wyatt, LLC - Coal	2	2.44	7.9974%	3.9987%	\$422.79
W.H. Reedy Heirs				3.9987%	\$422.79
a) Frances W. Johnson (1/90)				0.0444%	\$4.70
b) Joan W. Brantner (1/90)				0.0444%	\$4.70
c) Elmer Reedy (1/20)				0.1999%	\$21.14
d) Dorothy R. Sodolski (1/20)				0.1999%	\$21.14
e) Buchanan Production Company (1/90)				0.0444%	\$4.70
Harrison-Wyatt, LLC - Coal	3	1.46	4.7853%	2.3927%	\$252.98
Vicey McGlothlin Heirs - O&G				2.3927%	\$252.98
a) Buchanan Production Company (1/39)				0.0614%	\$11.46
Harrison-Wyatt, LLC - Coal	6	19.20	62.9302%	31.4651%	\$3,326.91
Iris Lee Nunley - O&G				31.4651%	\$3,326.91